



County of Los Angeles CHIEF ADMINISTRATIVE OFFICE

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DAVID E. JANSSEN
Chief Administrative Officer

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Third District

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Fifth District

November 16, 2005

To: Supervisor Gloria Molina, Chair
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

CONSOLIDATION OF THE COUNTY OF LOS ANGELES MEDICAL MALPRACTICE AND HOSPITAL LIABILITY TORT CLAIM ADJUSTING FUNCTION INTO THE CHIEF ADMINISTRATIVE OFFICE

On June 20, 2005, your Board requested a report by the Chief Administrative Office (CAO) outlining the CAO's assessment of the County of Los Angeles' (County) medical malpractice liability processes and the various options related to the recommendation to consolidate the County's medical malpractice and hospital liability (MEDMAL) tort claim adjusting function into the CAO. The CAO's assessment included evaluation of claim management processes within the CAO, County Counsel, various other departments, and Octagon Risk Services, Inc. (Octagon), the County's medical malpractice claims third party administrator (TPA).

Based on the CAO's analysis and discussions with affected Departments, County Counsel and Board offices, the CAO has decided not to move forward with the recommendation to consolidate the County's MEDMAL tort claim adjusting function into the CAO at this time. Instead, Octagon's current TPA contract will be extended from January 1, 2006 through December 31, 2006, during which time the CAO will collaboratively work with the Board, the departments possessing medical malpractice exposures, and County Counsel, to develop and issue an enhanced Request for Proposals for the County's Medical Malpractice and Hospital Liability Claims Administration and Legal Defense Management Services Contract. Subsequently, during 2006, the CAO will return to your Board with a medical malpractice claims TPA services contract for consideration.

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If you have any questions regarding this matter, please contact me or your staff may contact Rocky Armfield at (213) 351-5346.

DEJ:RAA
JWS:mtm

c: Executive Officer, Board of Supervisors
County Counsel